

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7415

BILL NUMBER: HB 1973

DATE PREPARED: Apr 12, 2001

BILL AMENDED: Apr 11, 2001

SUBJECT: Corn Marketing Council.

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill amends the definition of "market development." The bill changes the composition of the council member districts. The Dean of the Purdue University School of Agriculture, two representatives of first purchaser organizations, and two members of the General Assembly are members of the Council. A producer who seeks to be placed on the ballot must have a petition signed by 10 other producers. The Council may not spend more than 10% of the money it receives in administrative costs. The bill makes a voluntary rate of assessment of one half cent per bushel for corn. The assessment applies only if the producer submits a form indicating the producer's desire to be included in the assessment. The bill establishes an enrollment period for a producer who wants to be included in the assessment. It removes the assessment on seed corn sold in Indiana and establishes an enrollment period for a producer who wants to be included in the assessment. This bill also repeals provisions (1) concerning refunds of assessments; and (2) allows a referendum to establish or terminate the Indiana Corn Marketing Council. Certain fees will revert to the Office of Agriculture to cover administrative fees. The bill establishes procedures for the initial election of council members. It staggers the terms of the initial members. It also makes technical corrections.

Effective Date: May 15, 2001; July 1, 2001.

Explanation of State Expenditures: (Revised) Legislative members of the Council would be entitled to \$112 per diem. Assuming that the Commission met 12 times during the year, per diem costs are estimated at \$2,688 (2 legislative members multiplied by \$112 multiplied by 12 meetings). Per diem for legislative members would be paid by the Council.

Purdue University Extension Services would have to provide ballots for the initial election of Council members. An estimated 30,000 corn producers in the state would be eligible to vote. The Indiana Corn Marketing Council would reimburse the Office of the Commissioner of Agriculture for expenses of the election and providing forms after assessments on corn begin to be collected.

Explanation of State Revenues: (Revised) This bill makes a voluntary rate of assessment of one half cent per bushel for corn and makes the rate of assessment one dollar to fifty cents per unit for seed corn. The money collected is deposited with the Indiana Corn Marketing Council and not in the State General Fund nor a state dedicated fund. The proposal could generate about \$2 M per year. However, given that the producers must initiate the action in order to be assessed within a given time frame, actual collections will be less.

Auditing fees collected from the program and all other programs by the Indiana Grain Buyers and Warehouse Licensing Agency revert to the Office of Agriculture Account to cover administrative costs.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of the Commissioner of Agriculture and Purdue University Extensions.

Local Agencies Affected:

Information Sources: Mike Aylesworth, President, Indiana Corn Marketing Council, (219) 405-9980.